



COMMISSION NEWS

ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

TO: EDITORS, NEWS DIRECTORS
FOR: IMMEDIATE RELEASE

CONTACT:

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Jerry Lowe (602) 542-9103
Pam Johnson (602) 542-0702

SECURITIES SALESMEN ORDERED TO PAY RESTITUTION AND PENALTIES; REGISTRATIONS REVOKED AND DENIED FOR "SELLING AWAY"

In two separate matters, the Corporation Commission has revoked and denied the registration of securities salesmen who sold securities that were not approved by their registered dealers, and ordered them to pay restitution to investors and penalties to the State.

The Commission ordered **ALAN EDWARD KOENEMAN** of Tucson to pay \$1,997,776.22 in restitution to investors who purchased promissory notes from him, a \$50,000 penalty, and to cease and desist from the sale of unregistered securities. The Commission also revoked **KOENEMAN**'s salesman registration for transacting sales that were not recorded on the books of his dealer—a practice known in the securities industry as "*selling away*," and for selling unregistered securities without an exemption. The notes were issued by a Florida-based company, First Lenders Indemnity Corporation (FLIC), to purchase a portfolio of automobile loans from sub prime lenders. **KOENEMAN** sold the notes in 1996 and 1997, and FLIC filed for bankruptcy protection soon after the sales. The investors, who were required to make a minimum investment of \$25,000 and expected to receive a 10 percent monthly return and return of their principal within nine months, received only one interest payment or no payments at all. **KOENEMAN** also sold similar investment notes totaling \$881,038.00 issued by another Florida-based company, McCarn's

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Allstate Finance, Inc. Investors in the McCarn notes were paid restitution in a prior action taken this year by the Securities Division. **KOENEMAN** was registered as a securities salesman under HD Vest, Inc. at the time of the sales.

On the same day, the Commission approved a Consent Order entered against **RONALD H. WEINER** of Scottsdale, denying **WEINER's** securities salesman registration application, ordering **WEINER** to cease and desist from the sale of unregistered securities, fraud in the sale of securities and ordering **WEINER** to pay \$300,000 in restitution to investors. The action involved **WEINER's** sale of undivided fractional interests in oil and gas wells in 1991 and 1992. The Order states that **WEINER**, doing business as **RON WEINER ASSOCIATES**, purchased interests in wells located in Oklahoma from the operator of the wells, Big Horn Oil Company, and resold the interests at a marked-up price without disclosing the mark-up, **WEINER's** lack of experience or financial condition to investors. In addition, **WEINER** sold the investments without the approval of his dealer, Securities America, Inc. On June 29, the Division conducted a hearing at the Commission against **DOUGLAS DEAN SACKETT** involving the same transactions.

In a related matter in December 1996, the Commission revoked the registration of another seller of **RON WEINER ASSOCIATES** oil and gas interests, **DENISE BRITTAIN**. **BRITTAIN** entered into a Consent and Order of Revocation and to Cease and Desist. **BRITTAIN's** registered dealer at the time of her sales of the oil and gas well interests, **ALLMERICA INVESTMENTS, INC.**,

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consented to an Order by the Commission in January 1998, requiring **ALLMERICA** to make full restitution to **BRITTAIN's** customers for their losses relating to her sales of the oil and gas well interests and other investments sold by **BRITTAIN** during the time period that she was registered with **ALLMERICA**, from January 1989 to March 1996.

Michael G. Burton, Sr., Director of the Securities Division, encourages "anyone who has invested with **RON WEINER, DOUG SACKETT, or DENISE BRITTAIN** to contact Jerry Lowe of the Securities Division at (602) 542-4242." Commissioner-Chairman Jim Irvin stated that "the Commission intends to send a clear message that salesmen engaged in selling unapproved products cause harm to consumers. These salesmen will be dealt with severely by this Commission."

The Commission encourages all Arizonans to contact the Securities Division at (602) 542-4242 to determine whether an investment is properly registered with the State. Commissioner Carl Kunasek said, "The Division is most often contacted by investors after they have lost their hard-earned money. It is far better to obtain the available information before investing." The Division can also be reached by fax at (602) 594-7470 or by E-mail at accsec@ccsd.cc.state.az.us. More information about the Securities Division and the Commission can be found at the Division's website at www.ccsd.cc.state.az.us.

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